EXPLANATION OF TERMS

Subchapter S Corporation	A corporation which has elected to have its shareholders report income and pay any tax due on their individual income tax returns.
"No Pay" C Corporation	A corporation which has a *regular tax liability of zero.
"Pay" C Corporation	A corporation which has a *regular tax liability greater than zero.
Iowa Taxable Income	The amount of federal net income apportioned to Iowa after Iowa adjustments and deductions have been applied.
Tax Reported	The amount of *regular tax liability reported on returns filed during the calendar year.
Apportioning Corporation	A corporation which does business both within and without the state. Apportioning corporations must apportion their total business income to determine the amount of income subject to Iowa tax.
Nonapportioning Corporation	A corporation which does business solely within the state.

* *"Regular" tax liability as presented does not include any Iowa minimum tax liability. Total Iowa minimum tax liability reported by pay and no pay C Corporations amounted to approximately $7.2 million for returns filed in 1989 and $9.2 million for returns filed during 1990.*

IOWA CORPORATION RETURNS FILED DURING 1989 AND 1990:

TABLE A- SELECTED ITEMS BY TAXABLE INCOME CLASS

Taxable Income Class	1990 No. Of Returns	1990 Iowa Taxable Income	1990 Tax Reported	1989 No. Of Returns	1989 Iowa Taxable Income	1989 Tax Reported
$ 1 - 25,000	10,758	$ 83,847,759	$ 5,030,866	10,428	$ 82,096,583	$ 4,925,795
25,000 - 100,000	5,145	256,611,817	17,956,445	5,287	263,568,053	18,441,944
100,000 - 250,000	992	149,207,854	12,440,785	1,049	159,240,249	13,301,525
250,000 - 500,000	346	119,486,874	11,743,425	341	119,429,379	11,774,025
500,000 - 750,000	134	81,359,466	8,758,136	123	75,496,268	8,137,052
750,000 - 1,000,000	78	67,017,622	7,457,115	59	51,683,407	5,759,509
1,000,000 - 2,000,000	97	134,804,654	15,449,058	91	124,829,723	14,297,067
$ OVER - 2,000,000	117	797,576,389	94,831,667	135	916,440,051	108,960,306
Totals - Pay C Corp's	17,667	$ 1,689,912,435	$ 173,667,497	17,513	$ 1,792,783,713	$ 185,597,223
No Pay C Corp's	19,277			19,105		
Subchapter S Corp's	14,916			13,516		
GRAND TOTAL	51,860			50,134		

TABLE B- APPORTIONING AND NONAPPORTIONING PAY CORPORATIONS

RETURNS, TAXABLE INCOME AND TAX

	1990 No. Of Returns	1990 Iowa Taxable Income	1990 Tax Reported	1989 No. Of Returns	1989 Iowa Taxable Income	1989 Tax Reported
Apportioning Corporations	4,824	$ 1,175,853,233	$ 129,956,716	4,530	$ 1,316,379,479	$ 147,230,479
Nonapportioning Corporations	12,843	514,059,202	43,710,781	12,983	476,404,234	38,366,744
Totals - Pay C Corp's	17,667	$ 1,689,912,435	$ 173,667,497	17,513	$ 1,792,783,713	$ 185,597,223

TABLE C- SELECTED ITEMS BY BUSINESS CLASS

Business Classification	1990 No. Of Returns	1990 Iowa Taxable Income	1990 Tax Reported	1989 No. Of Returns	1989 Iowa Taxable Income	1989 Tax Reported
Agriculture	2,995	$ 112,473,973	$ 8,986,298	3,023	$ 113,134,867	$ 8,809,471
Mining	58	13,347,531	1,422,260	56	13,132,249	1,377,828
Construction	1,539	65,907,319	5,555,934	1,450	61,921,730	5,243,942
Manufacturing	1,825	577,711,080	64,029,578	1,725	655,183,664	73,408,903
Transportation, Communications and Utilities	814	224,057,512	25,197,686	838	231,085,925	25,978,786
Wholesale Trade	1,801	178,171,380	17,417,672	1,826	181,319,471	17,593,033
Retail Trade	3,055	213,126,449	20,889,589	3,038	198,288,587	19,074,270
Real Estate, Insurance and Finance	2,091	192,387,050	20,406,606	2,134	223,402,188	24,083,617
Services	3,489	112,730,141	9,761,873	3,393	114,885,858	9,998,917
Miscellaneous	0	0	0	28	429,174	28,457
Totals - Pay C Corp's	17,667	$ 1,689,912,435	$ 173,667,497	17,513	$ 1,792,783,713	$ 185,597,223
No Pay C Corps	19,277			19,105		
Subchapter S Corp's	14,916			13,516		
GRAND TOTAL	51,860			50,134		

S2860-5-F

IOWA CORPORATION RETURNS FILED DURING 1991 AND 1992

SELECTED DATA FROM RETURNS

SELECTED ITEMS BY TAXABLE INCOME CLASS

As shown on Table A, a total of 54,224 Iowa corporation returns were filed during 1992. This represents an increase of 1,152, or 2.2% over the number of total returns filed in 1991. By comparison, the 53,072 returns filed in 1991 represents an increase of 1,212, or 2.3% over the number of returns filed in 1990. Part of the increase can be attributed to an 8.0% increase in the number of S Corporations in 1992 and an increase of 5.9% in 1991 over 1990.

Between 1991 and 1992 the number of "pay" C Corporation returns decreased by 552, or 3.1%. The amount of tax also decreased by $21.3 million, or 11.6%. Between 1990 and 1991 the number of "pay" C Corporation returns increased by 108 or .6%. The amount of tax increased by $9.9 million, or 5.7%.

APPORTIONING AND NONAPPORTIONING PAY CORPORATIONS

As shown on Table B, 4,663 pay corporations apportioned their income to Iowa during 1992 representing 27.1% of all pay returns and 77.4% of the tax reported. This is a decrease of 2.3% returns from 1991. Similarly, the tax reported declined by 3.3% to $126 million. Between 1990 and 1991, the number of apportioning corporations declined by 1.4%. The tax reported increased, however the increase was less than 1.0%.

The 12,560 returns filed by nonapportioning corporations during 1992 represents a decrease of 460 returns, or 3.5% from 1991. The tax reported decreased by 31.7% from 1991. Between 1990 and 1991 the number of returns filed by nonapportioning corporations increased by 1.4% and the amount of tax reported increased by 22.7%.

SELECTED ITEMS BY BUSINESS CLASS

As shown on Table C, the services business class accounted for the largest number of filers during 1992 with 3,494 returns filed. However, the manufacturing business class was responsible for the largest amount of tax with $46.0 million in tax from 1,616 returns. The largest decrease in reported tax between 1991 and 1992 also occurred in the manufacturing classification where the tax reported decreased by 20.1%. The largest percentage increase during this period was in the construction classification where the reported tax increased by 4.8% to approximately $6.0 million.

In 1991, the largest number of returns was filed by the services classification which also reported the largest increase in tax reported. This increase was 49.4% over 1990. The largest amount of tax was reported by the manufacturing classifications. Between 1990 and 1991, the largest decrease in tax reported was in the mining classification which decreased by 13.8%.

EXPLANATION OF TERMS

S Corporation	A corporation that has elected to have its shareholders report income and pay any tax due on their individual income tax returns.
"No Pay" C Corporation	A Corporation that has a *regular tax liability of zero.
"Pay" C Corporation	A Corporation which has a *regular tax liability greater than zero.
Iowa Taxable Income	The amount of federal net income apportioned to Iowa after Iowa adjustments and deductions have been applied.
Tax Reported	The amount of *regular tax liability reported on returns filed during the calendar year.
Apportioning Corporation	A State Corporation that does business both within and without the state. Apportioning corporations must apportion their total business income to determine the amount of income subject to Iowa tax.
Nonapportioning Corporation	A Corporation that does business solely within the state.

* *"Regular" tax liability as presented does not include any Iowa minimum tax liability. Total Iowa minimum tax liability reported by pay and no pay C Corporations amounted to approximately $12.7 million for returns filed in 1992 and $18.3 million for returns filed in 1991.*

TABLE A- SELECTED ITEMS BY TAXABLE INCOME CLASS

IOWA CORPORATION RETURNS FILED DURING 1992 AND 1991:

Taxable Income Class	1992 No. Of Returns	1992 Iowa Taxable Income	1992 Tax Reported	1991 No. Of Returns	1991 Iowa Taxable Income	1991 Tax Reported
$ 1 - 25,000	10,787	82,343,167	4,940,590	10,773 $	85,551,744 $	5,133,105
25,000 - 100,000	4,884	242,273,572	16,939,886	5,281	263,247,636	18,419,311
100,000 - 250,000	862	131,390,058	10,984,006	996	150,889,509	12,598,951
250,000 - 500,000	337	117,178,614	11,537,534	319	109,842,193	10,788,563
500,000 - 750,000	97	60,260,929	6,503,811	121	73,656,942	7,931,333
750,000 - 1,000,000	73	62,512,528	6,954,003	68	59,089,626	6,580,755
1,000,000 - 2,000,000	79	109,921,863	12,598,124	99	138,642,417	15,894,590
$ OVER - 2,000,000	104	772,172,492	91,880,609	118	892,801,881	106,251,226
Totals - Pay C Corp's	17,223 $	1,578,053,223 $	162,338,653	17,775 $	1,773,721,948 $	183,597,834
Total Pay C Corp Minimum Tax			8,145,883			12,131,429
Total No Pay Minimum Tax			4,586,642			6,186,599
Total Tax			175,071,178			201,915,862
No Pay C Corp's	19,943			19,503		
S Corp's	17,058			15,794		
GRAND TOTAL	54,224			53,072		

IOWA CORPORATION RETURNS FILED DURING 1990:

Taxable Income Class	1990 No. Of Returns	1990 Iowa Taxable Income	1990 Tax Reported
$ 1 - 25,000	10,758 $	83,847,759 $	5,030,866
25,000 - 100,000	5,145	256,611,817	17,956,445
100,000 - 250,000	992	149,207,854	12,440,785
250,000 - 500,000	346	119,486,874	11,743,425
500,000 - 750,000	134	81,359,466	8,758,136
750,000 - 1,000,000	78	67,017,622	7,457,115
1,000,000 - 2,000,000	97	134,804,654	15,449,058
$ OVER - 2,000,000	117	797,576,389	94,831,667
Totals - Pay C Corp's	17,667 $	1,689,912,435 $	173,667,497
Total Pay C Corp Minimum Tax			6,904,657
Total No Pay Minimum Tax			2,319,682
Total Tax			182,891,836
No Pay C Corp's	19,277		
S Corp's	14,916		
GRAND TOTAL	51,860		

Notes:.

The totals Pay C Corporations paying Minimum Tax was 478 in 1992, 434 in 1991 and 349 in 1990.

The total No Pay Corporations paying minimum tax was 188 in 1992, 205 in 1991 and 160 in 1990.

TABLE B- APPORTIONING AND NONAPPORTIONING PAY CORPORATIONS:
RETURNS, TAXABLE INCOME AND TAX

	1992			1991		
	No. Of Returns	Iowa Taxable Income	Tax Reported	No. Of Returns	Iowa Taxable Income	Tax Reported
Apportioning Corporations	4,663	1,131,199,819	125,695,791	4,755	$ 1,173,689,576	$ 129,986,546
Nonapportioning Corporations	12,560	446,883,404	36,642,862	13,020	600,032,372	53,611,288
Totals - Pay C Corp's	17,223	$ 1,578,083,223	$ 162,338,653	17,775	$ 1,773,721,948	$ 183,597,834

	1990		
	No. Of Returns	Iowa Taxable Income	Tax Reported
Apportioning Corporations	4,824	$ 1,175,853,233	$ 129,956,716
Nonapportioning Corporations	12,843	514,059,202	43,710,781
Totals - Pay C Corp's	17,667	$ 1,689,912,435	$ 173,667,497

Note: In 1992, Apportioning Pay C Corporations paid $7,486,430 in minimum tax while Nonapportioning Corporations paid $659,453.
In 1991, Apportioning Pay C Corporations paid $11,652,561 in minimum tax while Nonapportioning Corporations paid $478,868
In 1990 Apportioning Pay C Corporations paid $6,654,287 in minimum tax whil Nonapportioning Corporations paid $250,370.

TABLE C- SELECTED ITEMS BY BUSINESS CLASS

Business Classification	1992 No. Of Returns	1992 Iowa Taxable Income	1992 Tax Reported	1991 No. Of Returns	1991 Iowa Taxable Income	1991 Tax Reported
Agriculture	3,069	103,031,371	8,129,979	3,175	$ 114,295,662	$ 8,906,414
Mining	46	11,083,320	1,157,292	47	11,474,050	1,226,108
Construction	1,502	68,839,806	5,979,372	1,577	67,925,584	5,704,639
Manufacturing	1,616	420,535,810	46,092,178	1,747	522,607,874	57,685,871
Transportation, Communications and Utilities	822	243,249,403	27,529,357	820	261,990,848	29,745,415
Wholesale Trade	1,619	156,581,199	15,316,077	1,753	171,325,187	16,717,460
Retail Trade	2,865	213,211,574	21,203,219	2,970	209,428,658	20,631,123
Real Estate, Insurance and Finance	2,170	244,001,255	26,565,269	2,157	277,063,029	30,484,199
Services	3,494	117,223,915	10,325,782	3,515	136,475,257	12,383,756
Miscellaneous	20	525,570	40,128	11	1,135,808	112,848
Totals - Pay C Corp's	17,223	$ 1,578,283,223	$ 162,338,653	17,772	$ 1,773,721,948	$ 183,597,833
Total Pay C Corp Minimum Tax			8,145,883			12,131,429
Total No Pay Minimum Tax			4,586,642			6,186,599
Total Tax			175,071,178			201,915,861
No Pay C Corps	19,943			19,503		
S Corp's	17,058			15,794		
GRAND TOTAL	54,224			53,069		

Business Classification	1990 No. Of Returns	1990 Iowa Taxable Income	1990 Tax Reported
Agriculture	2,995	$ 112,473,973	$ 8,986,298
Mining	58	13,347,531	1,422,260
Construction	1,539	65,907,319	5,555,934
Manufacturing	1,825	577,711,080	64,029,578
Transportation, Communications and Utilities	814	224,057,512	25,197,686
Wholesale Trade	1,801	178,171,380	17,417,672
Retail Trade	3,055	213,126,449	20,889,589
Real Estate, Insurance and Finance	2,091	192,387,050	20,406,606
Services	3,483	112,730,141	9,761,873
Miscellaneous	3	0	0
Totals - Pay C Corp's	17,667	$ 1,689,912,435	$ 173,667,497
Total Pay C Corp Minimum Tax			6,904,657
Total No Pay Minimum Tax			2,319,682
Total Tax			182,891,836
No Pay C Corps	19,277		
S Corp's	14,916		
GRAND TOTAL	51,860		

S2860-5-F

IOWA CORPORATION RETURNS FILED DURING 1989 AND 1990

SELECTED DATA FROM RETURNS

SELECTED ITEMS BY TAXABLE INCOME CLASS

As shown on Table A, a total of 51,860 Iowa corporation returns were filed during 1990. This represents an increase of 1,726, or 3.4 percent in the number of total returns filed over 1989. A large percentage of this growth was due to an increase of 10.4 percent in the number of Sub-chapter S Corporation returns filed over 1989.

Although the number of "pay" C Corporation returns filed in 1990 grew by almost one percent over 1989, the amount of tax reported in 1990 fell by 6.4 percent to approximately $174 million. While changes between the two years occurred across all taxable income brackets, the decrease in tax was most evident for returns with over $2 million of taxable income.

During 1990 less than one percent of the total 17,700 pay returns were filed by corporations with taxable income over $2 million. The percent of total corporate income tax paid by these corporations declined from 59 percent in 1989 to 55 percent in 1990. In contrast, 10,758 returns, or nearly 61 percent of the total number of pay returns were filed by corporations with taxable incomes of $25,000 or less. Although corporations in this lowest income class comprised the majority of filers, they reported only 2.7 percent of the total tax. Similar filing patterns occurred for returns filed during 1989.

APPORTIONING AND NONAPPORTIONING PAY CORPORATIONS

As shown on Table B, 4,824 pay corporations apportioned their income to Iowa during 1990 for an increase of 6.5 percent over 1989. In contrast, the aggregate amount of tax reported during 1990 by these apportioning corporations decreased from 1989 by 11.7 percent to $130 million from 1989.

The 12,843 returns filed by nonapportioning corporations during 1990 represent a decrease of 140 returns, or one percent from 1989. Despite the slight decrease in returns, the approximate $44 million in aggregate tax reported by these nonapportioning corporations during 1990 represents an increase of 13.9 percent over 1989.

SELECTED ITEMS BY BUSINESS CLASS

As shown on Table C, the services business class accounted for the largest number of filers during 1990 with approximately 3,500 returns. However, the manufacturing category was responsible for the largest amount of tax with approximately $64 million in tax from 1,825 returns. The largest decrease in reported tax between 1989 to 1990 also occurred in the manufacturing classification. Tax in this business class declined by approximately 13 percent to $64 million.